

38.23

**ARTICLE 3**

38.24

**PHASE-OUT OF SUBMINIMUM MINIMUM WAGE FOR PERSONS WITH  
DISABILITIES**

38.25

38.26 Section 1. Minnesota Statutes 2022, section 177.24, is amended by adding a subdivision  
38.27 to read:

38.28 Subd. 6. **Special certificate prohibition.** (a) On or after August 1, 2026, an employer  
38.29 must not hire a new employee with a disability at a wage that is less than the highest  
38.30 applicable minimum wage, regardless of whether the employer holds a special certificate  
38.31 from the United States Department of Labor under section 14(c) of the federal Fair Labor  
38.32 Standards Act.

38.33 (b) On or after August 1, 2028, an employer must not pay an employee with a disability  
38.34 less than the highest applicable minimum wage, regardless of whether the employer holds  
39.1 a special certificate from the United States Department of Labor under section 14(c) of the  
39.2 federal Fair Labor Standards Act.

39.3 Sec. 2. Minnesota Statutes 2022, section 252.44, is amended to read:

39.4 **252.44 LEAD AGENCY BOARD RESPONSIBILITIES.**

39.5 When the need for day services in a county or Tribe has been determined under section  
39.6 252.28, the board of commissioners for that lead agency shall:

39.7 (1) authorize the delivery of services according to the support plans and support plan  
39.8 addendums required as part of the lead agency's provision of case management services  
39.9 under sections 256B.0913, subdivision 8; 256B.092, subdivision 1b; 256B.49, subdivision  
39.10 15; and 256S.10 and Minnesota Rules, parts 9525.0004 to 9525.0036;

39.11 (2) ensure that transportation is provided or arranged by the vendor in the most efficient  
39.12 and reasonable way possible; ~~and~~

39.13 (3) monitor and evaluate the cost and effectiveness of the services;

39.14 (4) ensure that on or after August 1, 2026, an employer does not hire a new employee  
39.15 at a wage that is less than the highest applicable minimum wage, regardless of whether the  
39.16 employer holds a special certificate from the United States Department of Labor under  
39.17 section 14(c) of the federal Fair Labor Standards Act; and

39.18 (5) ensure that on or after August 1, 2028, a day service program, including county,  
39.19 Tribal, or privately funded day services, pays employees with disabilities the highest  
39.20 applicable minimum wage, regardless of whether the employer holds a special certificate  
39.21 from the United States Department of Labor under section 14(c) of the federal Fair Labor  
39.22 Standards Act.

39.23 Sec. 3. Minnesota Statutes 2023 Supplement, section 256B.4906, is amended to read:

39.24 **256B.4906 SUBMINIMUM WAGES IN HOME AND COMMUNITY-BASED**  
39.25 **SERVICES REPORTING.**

39.26 Subdivision 1. Data reporting. (a) A provider of home and community-based services  
39.27 for people with developmental disabilities under section 256B.092 or home and  
39.28 community-based services for people with disabilities under section 256B.49 that holds a  
39.29 credential listed in clause (1) or (2) as of August 1, 2023, must submit to the commissioner  
39.30 of human services data on individuals who are currently being paid subminimum wages or  
39.31 were being paid subminimum wages by the provider organization as of August 1, 2023:

40.1 (1) a certificate through the United States Department of Labor under United States  
40.2 Code, title 29, section 214(c), of the Fair Labor Standards Act authorizing the payment of  
40.3 subminimum wages to workers with disabilities; or

40.4 (2) a permit by the Minnesota Department of Labor and Industry under section 177.28.

40.5 (b) The report required under paragraph (a) must include the following data about each  
40.6 individual being paid subminimum wages:

40.7 (1) name;

40.8 (2) date of birth;

40.9 (3) identified race and ethnicity;

40.10 (4) disability type;

40.11 (5) key employment status measures as determined by the commissioner; and

40.12 (6) key community-life engagement measures as determined by the commissioner.

40.13 (c) The information in paragraph (b) must be submitted in a format determined by the  
40.14 commissioner.

40.15 (d) A provider must submit the data required under this section annually on a date  
40.16 specified by the commissioner. The commissioner must give a provider at least 30 calendar  
40.17 days to submit the data following notice of the due date. If a provider fails to submit the  
40.18 requested data by the date specified by the commissioner, the commissioner may delay  
40.19 medical assistance reimbursement until the requested data is submitted.

40.20 (e) Individually identifiable data submitted to the commissioner under this section are  
40.21 considered private data on individuals as defined by section 13.02, subdivision 12.

40.22 (f) The commissioner must analyze data annually for tracking employment and  
40.23 community-life engagement outcomes.

40.24 Subd. 2. Prohibition of subminimum wages. A provider of home and community-based  
40.25 services must not pay a person with a disability a wage below the highest applicable minimum

40.26 wage on the basis of the person's disability. A special certificate authorizing the payment  
40.27 of less than the highest applicable minimum wage to a person with a disability issued  
40.28 pursuant to a law of this state or to a federal law is without effect as of August 1, 2028.

41.1 Sec. 4. **PHASE-OUT OF USE OF SUBMINIMUM WAGE FOR MEDICAL**  
41.2 **ASSISTANCE DISABILITY SERVICES.**

41.3 The commissioner must seek all necessary amendments to Minnesota's federally approved  
41.4 disability waiver plans to require an individual receiving prevocational or employment  
41.5 support services be compensated at or above the highest applicable minimum wage no later  
41.6 than August 1, 2028.